

Message Text

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ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 L-03 H-01 AID-05 CIAE-00
COME-00 EB-08 FRB-03 INR-07 NSAE-00 USIA-06
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05
SS-15 STR-04 CEA-01 /091 W
-----035151 082253Z /64

R 081631Z AUG 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 0483
DEPARTMENT TREASURY
INFO AMEMBASSY ROME
AMEMBASSY TOKYO
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY MOSCOW

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E.O. 11652: GDS
TAGS: ECON, EFIN, GW
SUBJECT: ITALO-SOVIET CREDIT NEGOTIATIONS

REF: ROME 12692, ROME 12779

1. IN DISCUSSION WITH FRG ECONOMICS AND FINANCE
MINISTRY OFFICIALS CONCERNING 8 YEAR, 7.25 PERCENT
EXPORT CREDIT TO THE SOVIET UNION (REPORTED REFTELS)
WE WERE TOLD THAT THE CREDIT IS FOR CONSTRUCTION OF
FIVE POLYESTER FIBER PLANTS WITH TOTAL VALUE IN EXCESS
OF DM 2 BILLION. INTEREST RATE QUOTED BY SUPPLIERS
TO SOVIETS IS 7.35 PERCENT AND THE CREDIT WILL BE
GUARANTEED BY THE GOVERNMENT. GERMAN OFFICIALS INSIST,
HOWEVER, THAT THIS DOES NOT CONSTITUTE A BREAK WITH
"GENTLEMEN'S AGREEMENT" GUIDELINES. THE REFINANCING
RATE ON THE SUPPLIER CREDIT (APPROXIMATELY 9-9.5
PERCENT) IS, THEY MAINTAIN, WHAT IS REGULATED BY THE
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GENTLEMEN'S AGREEMENT AND IT IS WELL IN EXCESS OF THE
GENTLEMEN'S AGREEMENT GUIDELINES. THE DEFERENTIAL
BETWEEN THE RATE QUOTED THE SOVIETS AND THE REFINANCING
RATE FALLS ON THE EXPORTER WHO, ACCORDING TO GERMAN
OFFICIALS, PASSES THIS ON TO THE SOVIETS IN FORM OF A
HIGHER SELLING PRICE ON THE GOODS SOLD.
STOESSEL

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Message Attributes

Automatic Decaptoning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, NEGOTIATIONS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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Litigation Codes:
Litigation History:
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